



# BCP DEPOSIT OUTPERFORMANCE BOND

**AN INNOVATIVE DEPOSIT BASED SOLUTION DESIGNED TO GENERATE POTENTIAL RETURNS IN EXCESS OF CURRENTLY LOW BANK DEPOSIT INTEREST RATES. THE BOND WILL TRACK A LEADING MULTI-ASSET FUND WITH A SUCCESSFUL TRACK RECORD.**

- Term 4 years 6 months
- 100% Capital Security provided at maturity by Bank of Ireland
- Enhanced Terms – Minimum Return of 1.5%
- Deposit based product
- Potential additional interest payable at maturity
- Potential for returns in excess of current deposit rates
- Closing Date 21st August 2015
- Minimum Investment €20,000

**CAPITAL SECURITY PROVIDED BY BANK OF IRELAND**



**BCP** SERVING INVESTORS FOR OVER 45 YEARS  
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# BCP DEPOSIT OUTPERFORMANCE BOND

This innovative bond from BCP is designed to offer investors access to a term-deposit structure that provides a potential rate of interest above that being offered by comparable low-risk bank deposit and An Post products in the current market.

BCP offer a range of capital secure investment solutions in the Irish market on a consistent basis. The typical BCP Bond is designed to provide secure access to the performance of leading global fund managers with strong participation rates and the potential to match, or exceed, the returns being provided by comparable open-end investment funds. BCP currently have a full range of such bonds available in the market covering investments across multiple assets classes, fund managers, investment styles and potential performance drivers.

The **BCP Deposit Outperformance Bond** has been designed with a different remit. Using the same product construction process, the Bond utilises one of the leading funds identified by the BCP Investment Committee, the Ethna Aktiv Fund, and combines the performance of the fund with a shorter investment term (4 years and 6 months) and a lower participation rate (50%) in order to provide investors with a product that has the ability to outperform deposit rates within a 100% capital secure solution. The objective of the Bond is to generate returns of 3%+ per annum by tracking the performance of a leading multi-asset fund that has generated 8% CAR since 2002, with a 50% participation rate.

## SUMMARY OF THE BCP DEPOSIT OUTPERFORMANCE BOND:

- 4 year 6 month Term
- 50% Participation in the performance of the Ethna Aktiv Fund PLUS
- Fixed bonus return of 1.5% at maturity
- Term deposit structure with interest payable at maturity
- Return objective of 3%+ per annum
- Underlying Fund has successful track record
- Fund has generated 8% CAR with relatively low volatility

## CURRENT DEPOSIT RATE ENVIRONMENT

For a number of factors the rates of interest being offered by traditional deposit institutions such as the Irish banks and the An Post are at historically low levels. The volume of money that has been made available to the banks to shore up balance sheets and protect against a repeat of the financial crisis of 2008, as well as an apparent lack of viable lending opportunities, has led to a situation where most Irish banks have cash reserves in excess of their historical averages, and therefore do not need to offer high rates of interest to attract further deposits. With the onset of Quantitative Easing in the Eurozone and the continued focus on the strength of bank balances sheets it is hard to see an end to the era of low deposit rates in the short term. As you can see in the following table, low risk investors are not being offered rates of interest comparable with historical averages or reflective of the demand for moderate, low-risk returns.

## GUIDE TO CURRENT IRISH DEPOSIT RATES:

Deposit Provider	Interest Rate	Term	Category of Account
Bank of Ireland	1.15% AER	4 years	Fixed Term Deposit
An Post	0.99% AER*	4 years	National Solidarity Bond
An Post	1.24% AER*	5.5 years	Savings Certificate
Ulster Bank	1.10% AER	3 years	Fixed Term Deposit
RaboDirect	0.40% AER	5 years	Fixed Term Deposit
Permanent TSB	1.20% AER	5 years	Fixed Term Deposit
KBC Bank	1.10% AER	4 years	Fixed Term Deposit
AIB	0.7% AER	2 years	Fixed Term Deposit

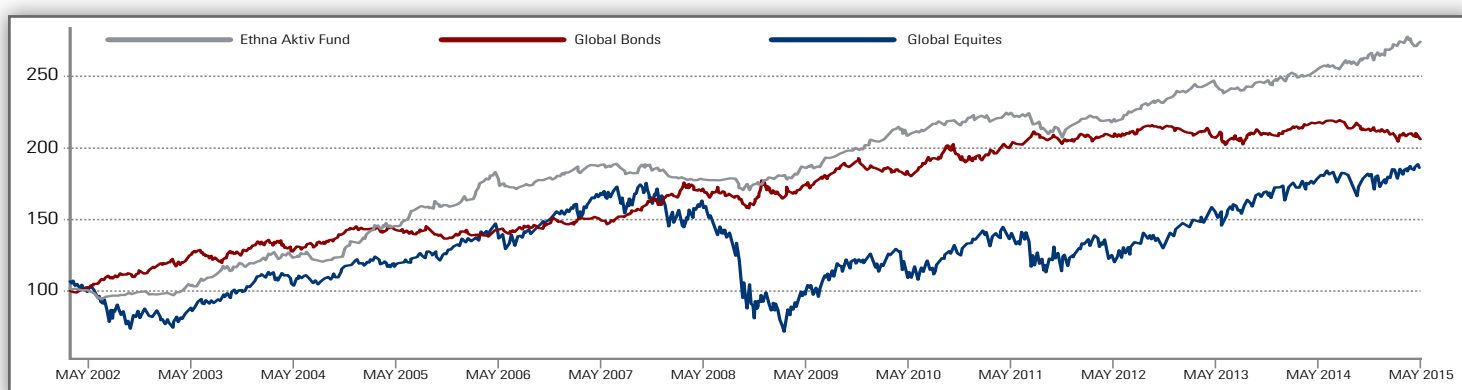
Source: [www.ireland.deposits.org](http://www.ireland.deposits.org) and [www.anpost.ie](http://www.anpost.ie) as of June 19th 2015. Qualifying terms and conditions apply to each of the above accounts. \*Not subject to tax.

# BCP DEPOSIT OUTPERFORMANCE BOND

## PAST PERFORMANCE OF UNDERLYING FUND:

Category of 4 year 6 month Performance Periods	Ethna Aktiv Performance (per annum)	Assumed Participation Rate	Illustration of Performance multiplied by Participation
Average Return	7.7% pa	50%	4.1%
Best Return	15.8% pa	50%	8.9%
Worst Return	2.3% pa	50%	1.1%
Most Recent Return	5.4% pa	50%	2.8%

## PERFORMANCE OF FUND SINCE LAUNCH - CAR 8%



Source: Bloomberg and Ethenea. Performance figures are net of fees and gross of taxation. Figures are quoted from February 18th 2002 to May 31st 2015. The MSCI World Bloomberg code is MXWO and the JPM Global Aggregate Bond Bloomberg code is JGAGGUSD. The fund performance shown reflects the distributing share class, ETHAKTE LX, of the Ethna-AKTIV Fund. The BCP Bond will track the accumulating share class of the same Fund, ETAKTVE LX. The accumulating share class was launched in 2009, in order to provide a long term picture of the performance we used the distributing share class in the graph which was launched in 2002. Please note that the past performance of the two share classes has been very similar.

	PERFORMANCE	DATES
Average 4 year 6 month return	39.7%	28.02.2002 - 31.05.2015
Best 4 year 6 month return	93.2%	07.10.2002 - 02.04.2007
Worst 4 year 6 month return	10.5%	28.12.2006 - 28.06.2011
Recent 4 year 6 month return	26.9%	24.11.2010 - 31.05.2015

**WARNING: Past performance is not a reliable guide to future performance.**

## PERFORMANCE FEES

If at the end of the 4 year 6 month term the Gross Return of the Bond is 14% or greater, then a Performance Fee of 1% will be deducted from the Gross Return and paid to BCP. The Performance Fee is paid in addition to the initial fee paid to BCP, as described in the Key Features on page 4.

**BCP**

Winner of the 'Property Manager of the Year' Award



European Pensions Awards Ireland 2014

**BCP**

Winner of the 'Specialist Life Service Provider' Award



IBA 24th & 25th Insurance Service Awards

# REVIEW YOUR PORTFOLIO ONLINE

## crm.bcp.ie

### BCP DEPOSIT OUTPERFORMANCE BOND

Your entire investment is allocated to a 4 year 6 month BCP Deposit Outperformance Bond. At the end of the Term, the Bond will pay 100% of the capital invested plus a further 1.5% fixed return, along with 50% of the Performance of the Fund over the 4 year 6 month Term. For example, if the Performance of the Fund is 40% over the term of the Bond, the return to investors will be 101.5% of the capital invested plus 20% ( $40\% \times 50\%$ ) giving a Gross Return of 21.5%. As the 21.5% return in this case is above the 14% Performance Fee hurdle rate for this Bond, a 1% Performance Fee will be paid to BCP with a return of 20.5% paid to investors. This is equivalent to 4.6% per annum (CAR 4.2%). Even if the Performance of the Fund is negative over the term of the Bond, 101.5% of the capital invested will be returned.

**WARNING:** The figures above are provided only to illustrate how the Bond works; they should not be taken as an indication of potential returns. The return to you will depend on the actual performance of the Fund which cannot be predicted in advance. There is no guarantee that any interest above the minimum return of 1.5% will be payable at the end of the investment term.

### BACKGROUND ON THE FUND MANAGER – ETHENEA

Ethenea is an independent investment company headquartered in Switzerland managing over €13bn in assets for European investors. Ethenea was established in 2002 with the launch of their flagship multi-asset fund – Ethna-AKTIV. The Ethenea investment team is a highly experienced group of portfolio managers and analysts whose guiding investment principles include:

- A focus on capital preservation and positive investment returns
- Minimising risk through a balanced investment strategy
- Portfolio diversification across sectors and asset classes
- Reducing portfolio volatility and uncertainty
- Accuracy of asset allocation decisions are key drivers of performance

### OVERVIEW OF THE FUND – ETHNA-AKTIV

The Ethna-AKTIV Fund is a multi-asset fund investing in global equities, global bonds and cash. The Fund currently has approximately €12bn in assets under management and was launched in 2002 meaning the investment team have successfully guided the Fund's investors through a variety of market and economic conditions. The primary objective of the Fund is to generate a positive return in every market situation. The Fund has a target return of 5%-10% with volatility below 6%. Depending on the market environment, the equity allocation of the Fund will be actively adjusted between 0%-49%. The investment team employ a fundamental approach to investing and have designed a Fund for investors that appreciate stability, capital preservation and return generation. To summarise:

- A long running fund with a successful return and low volatility history (5 year annualised volatility is 4.9%)
- Since inception in 2002 the Fund has returned +175% (CAR 8%)
- The Fund invests in global equities, bonds and cash
- The Fund has a target return of 5%-10% per annum
- The Fund is aiming to preserve capital and achieve long-term value
- The investment strategy combines flexibility with balance

The Fund can use derivatives and options at its discretion for hedging existing portfolio investments and as a tactical investment tool in special market conditions.

**WARNING:** Past performance is not a reliable guide to future performance.

**WARNING:** The value of your investment may go down as well as up.

**WARNING:** If you invest in this product, you will not have any access to your money for 4 years and 6 months.



# BCP DEPOSIT OUTPERFORMANCE BOND

## KEY FEATURES

The product producer of the BCP Deposit Outperformance Bond is BCP Asset Management Limited, 71 Upper Leeson Street, Dublin 4.

### HOW DOES THE BOND WORK?

**YOUR** entire investment is allocated to a BCP Deposit Outperformance Bond. At the end of the term, the percentage performance (gain or loss) of the the Ethna-AKTIV Fund is calculated. This performance if positive, will be multiplied by 50% and added to the minimum return of 1.5% to calculate the Gross Return of the Bond. The Bond offers 100% capital security at maturity.

**SUITABILITY** | The Bond is not suitable for investors who require regular income or require access to their capital before maturity. The Bond is suitable only as a capital growth investment. The return on the Bond will depend on the Performance of the Fund and will only be determined at the end of the term. No withdrawals may be made before the maturity of the Bond on 28th February 2020. Your money is not invested in the Fund, therefore, you do not benefit from any dividends distributed by the Fund but you will benefit from dividends and income earned within the Fund during the term of the Bond. In order to protect the performance of the Fund from volatility towards the end of the term, the Final Price will reflect the average Fund level on a monthly basis over the final 12 months of the term. The effect of averaging is to protect returns where performance is falling but conversely it may restrict growth where performance is rising. A Performance Fee of 1% will be deducted if the Gross Return of the Bond is 14% or higher at maturity.

**CAPITAL SECURITY** | Capital security is provided by Bank of Ireland. In the event Bank of Ireland fails to meet its liabilities, you could lose some or all of your money. Your investment is held in the name of your pension platform provider. As your pension platform provider is the beneficial owner of the assets, it is important to note that this investment is not covered by the Deposit Guarantee Scheme.

### WHERE DOES MY INVESTMENT IN THE BCP DEPOSIT OUTPERFORMANCE BOND GO?

The paragraph below displays how the investment is structured for a hypothetical €10,000 investor.

The BCP Deposit Outperformance Bond provides 100% capital security by placing 93.84% or €9,384 of your investment amount on deposit. This amount will grow to 100% or €10,000 by the end of the 4 year 6 month Term.

This Bond offers a return of 1.5% of your investment amount PLUS 50% of the Performance of the Fund less any Performance Fee. 4.3% or €430 of your investment amount will be used to purchase this return. If the Performance of the Fund is negative at the end of the 4 year 6 month Term, you will receive 101.5% of your capital invested. This payment

represents a 1.5% gain (CAR 0.3%) on your investment over the period.

BCP will receive a fee of 1.86% or €186 for manufacturing, distributing and administering the Bond, equivalent to 0.41% per annum. As described previously on page 3, a Performance Fee of 1% will be paid to BCP in addition to the fees above if the Gross Return of the Bond is 14% or more at maturity.

### DO I HAVE ACCESS TO MY INVESTMENT?

No withdrawals may be made before the maturity of the Bond on 28th February 2020. You have the right to cancel your application for the Bond within two weeks of the date you sign it but no later than the Closing Date.

### WHAT HAPPENS IF I DIE BEFORE THE BOND MATURES?

Where an investment is made on behalf

of a self-directed or self-administered pension plan, in the event of death of a member prior to the expiry of the Term, the Bond may be redeemed at its realisable value as determined by BCP based on a calculation by the Bank which may be more or less than the capital invested. The proceeds from such redemption will be paid to the trustees of the plan, or the investing Life Company as appropriate. Early redemption fees may apply on any early exit from this investment.

### WHAT ABOUT TAX?

This Bond is available to pension platform investors only. Pension platform investors are currently exempt from Deposit Interest Retention Tax. Investors should satisfy themselves in relation to the Revenue reporting requirements and the implications of non-disclosure where required.

## TERMS & CONDITIONS

### 1. DEFINITIONS

- 1.1 'you/your/investor' means the customer(s) who is/are investing funds in the BCP Deposit Outperformance Bond.
- 1.2 the 'Bond' means the BCP Deposit Outperformance Bond provided by BCP in accordance with these Terms and Conditions.
- 1.3 the '4 year 6 month Term', 'Term' means the duration of the investment which is placed in the 4 year 6 month Bond commencing on 31st August 2015 and maturing on 28th February 2020.
- 1.4 'Interest' means the gross interest calculated in accordance with Section 6 below.
- 1.5 'the Bank' means The Governor and Company of the Bank of Ireland and its successors, assigns and transferees.
- 1.6 'BCP' means BCP Asset Management Limited and its successors, assigns and transferees.
- 1.7 The 'Fund' means the Ethnea - Ethna-AKTIV (T). Bloomberg code ETAKTVE:IX.
- 1.8 'Performance of the Fund' is defined in 6.2 below.
- 1.9 'Performance of the Bond' is defined in 6.3 below.
- 1.10 'Gross Return of the Bond' is defined in 6.4 below.
- 1.11 'Performance Fee' is defined in 6.5 below.

### 2. YOUR INVESTMENT

- 2.1 BCP will lodge your investment in the Bond to a clearing account at the Bank. The funds will then be swept to a client asset account with the Bank in the name of BCP. You will receive a confirmation from the Bank of your investment in the Bond.
- 2.2 Your money is not invested in the Fund, therefore, you do not benefit from any dividends distributed by the Fund, but you will benefit from the dividends and income earned within the Fund during the term of the Bond.
- 2.3 All payments from the Bond will be paid to the trustees of the plan, or the investing Life Company, as appropriate to be added to your pension benefits

### 3. AVAILABILITY

- 3.1 The closing date for applications is 21st August 2015, or earlier if fully subscribed (the 'Closing Date').
- 3.2 The minimum investment is €20,000.
- 3.3 The Bond is available to individuals who are aged 18 or over wishing to invest their pension funds.

### 4. COOLING OFF PERIOD

You have the right to cancel this contract prior to the Closing Date of the Bond. If you wish to cancel, written notice must be received by BCP Asset Management Limited at 71 Upper Leeson Street, Dublin 4 within two weeks of your application but no later than 26th August 2015.

### 5. WITHDRAWALS

- 5.1 No withdrawals may be made from the Bond before the end of the 4 year 6 month Term.
- 5.2 Where an investment is made on behalf of a self directed or self administered pension plan, in the event of death of a member prior to the expiry of the Term, the Bond may be redeemed, subject to the terms of the rules of the underlying scheme or policy, at its realisable value as determined by BCP and the Bank which may be more or less than the capital invested. The proceeds from such redemption will be paid to the trustees of the plan, or the investing Life Company as appropriate.
- 5.3 Early redemption fees may apply on any early exit from this investment.

### 6. INTEREST

- 6.1 The Interest credited by the Bank to the 4 year 6 month deposit on maturity is calculated as the Performance of the Bond less the Performance Fee, and is calculated in

accordance with 6.2, 6.3, 6.4 and 6.5. This Interest will be added to the capital secure amount to calculate the final return.

- 6.2 Performance of the Fund is calculated as (Final Price – Initial Price) / Initial Price where (1) the Initial Price of the Fund is the closing level of the Fund on 28th August 2015 or the next business day for the Fund; (2) the Final Price is the simple average of the Fund values taken at monthly intervals from and including 28th February 2019 to and including 28th February 2020 or the next business day of the Fund.
- 6.3 Performance of the Bond is calculated as 1.5% PLUS (positive Performance of the Fund x Participation) where Participation is 50%.
- 6.4 Gross Return of the Bond is calculated as (Performance of the Bond – Capital at Risk) where Capital at Risk is 0%.
- 6.5 The Performance Fee is 1% where the Gross Return at maturity for the Bond is 14% or higher.
- 6.6 If the Performance of the Fund is zero or negative at maturity, you will receive 101.5% of the capital invested.
- 6.7 Should any event occur during the 4 year 6 month Term which in BCP's absolute discretion constitutes a substantial change to the Fund, force majeure or hedging disruption, BCP shall be entitled to substitute the Fund with another Fund, to unwind the Bond at the then current market value or to suspend operations of the Bond during any period in which such event continues and thereafter until the end of the 4 year 6 month Term. On suspension, the Bank shall arrange for the investment accrued to be placed on deposit for the aforesaid period, on terms to be agreed between BCP and the Bank at their absolute discretion. BCP will notify the investors of the occurrence of any such event in such manner as BCP deem appropriate. Neither BCP, the Bank, nor their agent(s) shall be liable for any loss howsoever suffered by the investor if there is any total or partial failure of performance resulting from any such event or any other causes beyond the control of BCP, the Bank or their agent(s).
- 6.8 Should an adjustment event occur during the 4 year 6 month Term which affects the valuation of the Fund, BCP shall be entitled, after consultation with the Bank and at its absolute discretion, to adjust any relevant terms of the Bond to preserve the economic equivalent of your investment prior to the occurrence of such event.
- 6.9 No interest will be paid to you in relation to the period up to 31st August 2015.

### 7. MATURITY

BCP will contact you before the Bond mature to advise of repayment and reinvestment opportunities available at that time. At maturity on 28th February 2020, BCP will instruct the Bank to electronically transfer your capital sum invested together with Interest earned to your pension platform provider. If for any reason Interest on the Bond cannot be determined by the maturity date, the Bank will pay the capital sum invested and Interest, 2 business days after the Interest can be determined.

### 8. COMPLAINTS

Any complaint about the sale of the Bond should be made to your authorised intermediary via whom you invested. A complaint about any other aspect of the Bond should be made to BCP. Any such complaint will be investigated in accordance with BCP's complaints policy, details of which are available from BCP. If you are dissatisfied with the handling of your complaint or the response to it you may refer the issue to the Financial Services Ombudsman or the Pensions Ombudsman, as appropriate by contacting the relevant office.

### 9. CONFIDENTIALITY

BCP and the Bank observe a strict duty of confidentiality about your financial affairs. Save at your request or with your consent, neither BCP nor the Bank will disclose any details relating to your investment to anyone else other than in the following circumstances:

- to comply with a Court Order.
- to comply with a direction or request from a statutory or regulatory body entitled to such details.
- in accordance with any applicable legislation.

### 10. DATA PROTECTION

Both BCP and the Bank are registered under the Data Protection Acts 1988 and 2003 and your personal data held by BCP and the Bank will be maintained in accordance with the obligations of the Acts and subsequent legislation.

### 11. CANCELLATION

If total funds received from investors at the Closing Date are deemed to be insufficient or hedging conditions are adverse, BCP reserves the right not to proceed with the issue of the Bond and to repay investors.

### 12. VARIATION

These Terms and Conditions may be changed if a decision, recommendation or change is made by a Court, Regulator, Ombudsman or by legislation. BCP will notify you personally of any changes and will endeavour to give you at least 1 month's notice.

### 13. CLIENT ASSET ACCOUNTS

This product is deposit based and Bank of Ireland is the underlying deposit taker. Investors will receive confirmation of their investment from Bank of Ireland. Client asset accounts contain funds which are pooled with other clients' funds. Investors have a claim against the client assets pool in a specific account. Funds are not afforded protection under the Client Asset Requirements until they are swept from the clearing account at the Bank into the BCP client asset account.

### 14. BOND OPERATION

Neither BCP, the Bank nor their agent(s) will be liable for any loss you may suffer if BCP, the Bank or their agent(s) is prevented from providing any service as a result of industrial action, power failure or other cause beyond the reasonable control of BCP, the Bank or their agent(s). The Bank acts as deposit taker only and is not liable for the responsibilities of BCP to you in relation to the Bond, this brochure or for any other information provided to you by BCP. The Bank is not offering financial or tax advice to BCP or investors. It does not make any representation, express or implied, as to the investment terms or the performance of the Bond. Any such statements herein, as well as all other statements regarding the Bond, are the sole responsibility of BCP.

### 15. GOVERNING LAW AND JURISDICTION

Our relationship with you and these Terms and Conditions are governed by and shall be construed in accordance with the laws of Ireland. By signing the application form and subsequent investment instruction form as issued by your pension platform provider, you agree that any dispute may be resolved by the courts of Ireland.

### 16. DEPOSIT GUARANTEE SCHEME/CAPITAL SECURITY

Capital security is provided by Bank of Ireland. In the event Bank of Ireland fails to meet its liabilities, you could lose some or all of your money. Your investment is held in the name of your pension platform provider. As your pension platform provider is the beneficial owner of the assets, it's important to note that this investment is not covered by the Deposit Guarantee Scheme.



BCP Asset Management Limited

71 Upper Leeson Street, Dublin 4, Ireland | T: (01) 668 4688 | F: (01) 668 4246 | E: [invest@bcp.ie](mailto:invest@bcp.ie) | W: [www.bcp.ie](http://www.bcp.ie)

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Bank of Ireland is regulated by the Central Bank of Ireland.